

## PROCUREMENT STAGE 1 – APPROVAL TO PROCEED TO TENDER

This form must be completed for all procurements above the tender threshold (£75,000 - Services and Supplies and £500,000 - Works)

If contract value is over Cabinet approval threshold (£750,000) this form shall be appended to the Cabinet report. This form will be “open” for publication.

<b>1.</b>	<b>INTRODUCTION</b>	
1.1	Contract Title	Temporary (Agency) Worker Resources Contract
1.2	Reference	PS/2019/003
1.3	Directorate	HR, OD & Transformation
1.4	Contract Cost	£36,000,000
1.5	Description	Procurement of a new Agency Worker Contract to replace the current arrangement with Matrix SCM which expires on 15th December 2019.
1.6	Contract Term	3 years plus option to extend for 1 year
1.7	Political Sensitivity	N/A

<b>2.</b>	<b>BUSINESS CASE</b>	
2.1	Business Case	<p>The Council currently contracts with Matrix SCM “the Managed Service Provider” for the supply of contingent labour which expires on 15th December 2019. The contract will have been in place for four years and was awarded following a mini-competition undertaken through ESPO (Eastern Shires Purchasing Organisation).</p> <p>Provision for cost and quality effective contingent labour if key to effective use of resources for Thurrock alongside the mix of permanent staff.</p> <p>The current arrangement cannot be extended further and therefore it is necessary to embark on a re-commissioning exercise to put in place a new contract for December 2019.</p> <p>The option to progress with a mini competition for a neutral vendor through the ESPO framework will allow the Council to ensure maximum spread of agencies including local providers, deliver consistent pricing and fee structure and develop a bespoke service that fully meets Thurrock’s requirements.</p> <p>Employment of local people (and the engagement of local agencies) will be key in this procurement.</p>

2.2	Key Deliverables	We will be seeking to procure a bespoke service which includes: - Easy to use system for requesting agency worker resources and subsequent timesheet/invoices - Integration with the Council's HR system (Oracle Cloud) - Compliance with the Council's pre-employment checks - Compliance with the East of England Memorandum of Cooperations (MOC) around the payment and engagement of agency social workers - Effective payment/invoicing system, with minimal administrative resources required by the Council.
2.3	Commercial Pressures	The supply of agency workers is susceptible to changes in the economy and employment market. Using a managed service provider has helped, across the period of the previous contract, to mitigate the risks associated with revised legislation including tax implications such as IR35.
2.4	Contractor Employment Status <sup>1</sup>	N/A
2.5	Award Criteria	60:40 Quality:Price
2.6	Social Value	As part of our current contract Matrix SCM provide social value for Thurrock through the provision of employment workshops and engaging with our careers team to help increase employability of local people in the borough. Social Value will play a key part in the re-procurement of the contract with us looking to enhance and build upon the current offering received.
2.7	Previous Contract	PS/2015/923

<b>3.</b>	<b>FINANCIAL CONSIDERATIONS</b>						
3.1	Previous Contract Cost	£40,000,000					
3.2	Scope Changes	Is there any increase / decrease in scope that could impact costs?	No				
3.3	Annual Cost	Year	19/20 £000's	20/21 £000's	21/22 £000's	Later £000's	Total £000's
		Total Spend	<b>£9m</b>	<b>£9m</b>	<b>£9m</b>	<b>£enter</b>	<b>£enter</b>
3.4	Funding Breakdown Identified	Revenue Budget	£9m	£9m	£9m	£enter	£enter
		Capital Budget	£0	£0	£0	£enter	£enter
		Other (Please State)	£enter	£enter	£enter	£enter	£enter
		Other (Please State)	£enter	£enter	£enter	£enter	£enter
		<b>Total Funding</b>	<b>£9m</b>	<b>£9m</b>	<b>£9m</b>	<b>£enter</b>	<b>£enter</b>
3.5	Budget Code(s)	DZ200-0410-DZ007					
3.6	Unsupported borrowing	N/A					

<sup>1</sup> Use online self-assessment tool: <https://www.gov.uk/guidance/check-employment-status-for-tax>

3.7	Other Financial Implications	Detail any other financial implications, including savings to be made.
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<b>4.</b>	<b>PROCUREMENT ROUTE</b>	
4.1	Procurement Route	Mini-Competition under Framework
4.2	Procurement Route Rationale	As a third generation contract the scope for significant savings is limited and is confined largely to control over the use of agencies rather than to be obtained through agency margins. Agency worker spend is significant expenditure for the Council and the specification for this re-procurement will focus on the quality of agency workers, use of local resources and agencies and the Social Value elements that can be added.
4.3	Does the contract require a waiver?	No
4.4	Single Source justification	N/A - not a single source
4.5	Waiver Rationale	N/A

<b>5.</b>	<b>PROCUREMENT TIMETABLE</b>		
5.1	Procurement Timetable	Publish Contract Notice	tbc
		Selection Questionnaire Return	N/A
		Invitation to Tender Issue	tbc
		Invitation to Tender Return	tbc
		Notification of Result	tbc
		Standstill Period	tbc
		Expected Award Date	01 July 2019
		Contract Commencement	16 December 2019

<b>6.</b>	<b>RISKS, CONSULTATION AND MANAGEMENT</b>					
6.1	Tender Process Risks	Risk Level			Negative Impact	Mitigation
	Lack of interest	D - Low Likelihood	II - Significant Impact	DII - Low Risk	Lack of competition	It is possible to do direct award through MSTAR and extend with existing contractor
	Enter Risk	Select Likelihood	Select Impact	Select Risk Level	Enter Negative Impact or N/A	Enter Mitigation or N/A
	Enter Risk	Select Likelihood	Select Impact	Select Risk Level	Enter Negative Impact or N/A	Enter Mitigation or N/A
6.2	Contract Performance Risks	Risk Level			Negative Impact	Mitigation
	Spend increases significantly	E - Very Low Likelihood	II - Significant Impact	EII - Low Risk	Budgets at risk	Strong performance management and margin control
	Enter Risk	Select Likelihood	Select Impact	Select Risk Level	Enter Negative Impact or N/A	Enter Mitigation or N/A
	Enter Risk	Select Likelihood	Select Impact	Select Risk Level	Enter Negative Impact or N/A	Enter Mitigation or N/A

6.3	Contingency	Unlikely to be significant, however local agencies would be able to supply in the short term.
6.4	Consultation	A project group including HR, Procurement and directorate representatives will be involved throughout the process.
6.5	Project and Contract Management	The project and subsequent contract will be managed by the Strategic Lead Resourcing & Improvement within the HR, OD & Transformation directorate. Quarterly business review meetings will take place post contract award with management information shared with People Board and Directors Board quarterly.
6.6	Procurement Implications	The MSTAR Framework is widely used in the public sector for procurement of managed services for Temporary Agency staff and has been used successfully in the past. Use of the framework will ensure due diligence has been carried out on the relevant bidders and will ensure the process is not unreasonably time intensive.

<b>7.</b>	<b>LEGAL, FINANCE AND PROCUREMENT APPROVAL</b>	
7.1	Procurement	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Procurement implications
		Name Stefanie Seff/Margaret Gozna
		Signed <i>(or obtain email confirmation)</i>
		Date 16/01/2019
7.2	Legal	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Legal implications
		Name Courage Emovon
		Signed <i>(or obtain email confirmation)</i>
		Date 16/01/2019
7.3	Finance	I confirm that I have been consulted and agree with the information contained in this report in so far as it relates to Financial implications
		Name Dammy Adewole
		Signed <i>(or obtain email confirmation)</i>
		Date 15/01/2019

<b>8.</b>	<b>APPROVAL TO PROCEED</b>	
8.1	Approval Level	Over £750,000 - Cabinet

8.2	Responsible Officer	I confirm that this procurement will be carried out in accordance with Rule 5 of the Council's Contract Procedure Rules (Chapter 9, Part 2 of the Constitution) and in particular the following duties have been met: <ul style="list-style-type: none"> <li>• Compliance will occur with all regulatory or statutory provisions and the Council's decision making requirements</li> <li>• The Contract will be included on the Council's Contract Register</li> <li>• Value for Money will be achieved</li> <li>• Advice has or will be sought from the Director of Finance and Corporate governance as to an appropriate security bond or guarantee</li> <li>• Document Retention Policy has and will be complied with</li> <li>• Financial Evaluation will be made of all the proposed tenders including the recommended bidder</li> <li>• Advice has been and will be sought and followed from Procurement, Legal and Finance as necessary</li> </ul>	
		Name	Mykela Pratt
		Signed	
		Date	Click here to enter a date.
8.3	Assistant Director	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to <b>Proceed to Tender</b> including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13.	
		Name	Enter Name
		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date.
8.4	Corporate Director	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to <b>Proceed to Tender</b> including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13. I confirm that the Portfolio Holder has been consulted as required	
		Name	Jackie Hinchliffe
		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date.
8.5	Director of Finance and IT (If waiver required)	In accordance with the Contract Procedure Rules, I confirm the accuracy of the information contained within this form and authorise this request to <b>Proceed to Tender</b> including, where relevant, the permitting of a Waiver from the Contract Procedure Rules in accordance with Rule 13.	
		Name	Enter Name
		Signed <i>(or obtain email confirmation)</i>	
		Date	Click here to enter a date.
8.6	Cabinet	Minute Number	Enter approval minute reference
		Date	Click here to enter a date.
<i>Now send complete form to Procurement Services signed and scanned</i>			

